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**U.S. Senate Budget Committee Field Hearing  
PerformanceStat: Measuring Priorities Progress and Results  
Written Testimony of Governor Martin O'Malley**

**Introduction**

Mr. Chairman, welcome to the great state of Maryland. It's an honor to host you here, and to have the chance to testify along with one of America's most effective County Executives, my friend Ike Leggett, and Deputy Mayor Chris Thomaskutty who is doing such an outstanding job in Baltimore continuing the legacy of CitiStat.

In times when governments are finding it more and more critical to do more with less, today's topic of performance measurement is, I believe, more important than ever. It is hard to believe that it has been ten years since we first began CitiStat in the city of Baltimore and it is my distinct honor and privilege to speak with you today about my experiences with performance measurement at both the local and state levels of government. It is my sincere belief that our approach to tracking and measuring progress can be applied universally—not just in the realm of state and local governance, but to the federal government, or for that matter, to any large organization.

Today, if you plug it into a Google search, you will see the word CitiStat popping up all across the country, in big cities and small cities. It is a testament to any good idea when people want to adopt and use it – which is what we did at the inception; borrowing and adapting the tenets of ComStat which helped the New York Police Department (NYPD) achieve dramatic reductions in crime in New York City. In fact, our guru in Baltimore was a man named Jack Maple. Mr. Maple was the brains behind ComStat, which revolutionized crime fighting. The NYPD used computer pin-mapping to drive crime down – putting the crimes on the map, deploying the cops to the dots, and demanding relentless follow-up. Working with Mr. Maple and evaluating ComStat helped us realize that if you can use data collection and mapping technology to improve law enforcement, you can also use it to improve the other things that government does – whether it is garbage collection, or housing inspections, or removal of dead trees, or repairing traffic lights or streetlights.



The Stat model, which we have brought with us to state government, merges emerging technology like GIS (Geographic Information Systems) or mapping, with certain timeless human principles, mainly: setting goals; openly and accountably measuring the performance of our public institutions and efforts; broadly sharing information (rather than hoarding it); and finding the willingness to change course when necessary to move our graphs in the right direction. Governments tend to do a decent job at measuring inputs – how much we’re budgeting for a specific priority. The Stat model is governance by outputs – measuring how effectively and efficiently we are delivering results, and taking action to get better results.

## **CitiStat**

In 1999, when I became mayor of Baltimore City – a 16,000 person corporation with \$2 billion annual budget – there was no one who could tell us some of the most basic information about city services. For example, city managers did not know how many vehicles were in our public works fleet or how quickly our emergency services were responding to 911 calls. It was clear that the city was used to managing by feel, not by fact. They were laboring under old city government mantras, focusing solely on input; the view of some seemed to be “that’s the way we’ve always done it, I hope the legislature forgets about this before next year’s budget hearing” and so forth.

We faced many challenges in Baltimore when I was elected Mayor 11 years ago -- the city was America’s most violent and drug addicted city, with failing schools, vacant neighborhoods – and worse yet, vacant hearts. We began measuring and geo-mapping every conceivable service, problem, and opportunity. Why, because a map doesn’t care whether a neighborhood is black or white, rich or poor – but it does tell us where our problems and opportunities lie, so we can deploy our resources accordingly.

We shifted the focus of city agencies to outputs, by introducing four ComStat tenets, now central to CitiStat, and StateStat: timely accurate information shared by all; rapid deployment of resources; effective tactics and strategies; and relentless follow-up and assessment.

Today, two administrations later, CitiStat remains in place in the city of Baltimore. The CitiStat system has been fully institutionalized, at first because of executive commitment, but over the long term because we were successful. Over the seven years in which our administration ran CitiStat, the City experienced an overall violent crime reduction of nearly 40%. After a decade of seemingly irreversible population loss during the 1990’s, the turn of the century saw gradual slowing of that loss – and then actual growth by the end of our administration in 2007. Better overall financial management of our City’s resources resulted in a quadrupling of the City’s Rainy Day Fund and positioned the City for its first bond rating upgrade in decades. Furthermore, it is conservatively estimated that the CitiStat program produced over \$350 million in positive financial impacts for the City of Baltimore – representing well over a 100-to-1 return on investment, given the program’s operating costs. In short, we turned a city where many neighborhoods were considered ungovernable and made them function again. With very little money, we had to think differently and we had to apply our creative energies to the problems we faced.

## **StateStat**

In many ways, our backs were also up against the wall when we took the reins of state government. We inherited a \$1.7 billion structural deficit and had to operate under the backdrop of a national economic downturn. We also found that our state government, not unlike the City government, was not very geared to performance measurement and service delivery. Therefore, we have now fully adopted the CitiStat model on the state level. Now performance is being tracked and progress monitored on a level never experienced in Maryland's state government. Through StateStat, my senior staff and I meet with key agency leaders not once a year, not once a quarter, but every single month to track our progress, share information, and determine where things are working and where we need to do better. During the past four fiscal years, StateStat has facilitated a savings of an estimated \$276M in total funds (\$242M General Funds) through position abolishment; closure of 21 facilities; and the consolidation and centralization of State functions, such as State print shops, and correctional pre-release programs.

## **Governor's Delivery Unit**

After a year of solid progress we recognized that the state needed more coordinated assistance in mobilizing shared resources across agencies, so in 2009 we created the Governor's Delivery Unit (GDU). The GDU—modeled after Tony Blair's Prime Minister's Delivery Unit (PMDU) created in the United Kingdom in 1997—is responsible for ensuring that a series of reforms in health, education, transportation and criminal justice take place by aligning resources and policy at every level of State government. After having the opportunity to hear Sir Michael Barber speak about his experience leading the UK's PMDU, we set out to create a similar unit in Maryland, to complement our work in StateStat.

The GDU works with the state agencies strategically driving 15 core goals designed to be aggressive, yet achievable, benchmarks in the continuing effort to improve the quality of life for Maryland citizens. The goals are divided into four broad areas: Skills, Security Integration, Sustainability and Health. The GDU further cuts each objective into sub-strategies and designs, with the interested State agencies, an action plan detailing what steps are necessary to meet the goal. The GDU uses the StateStat process to hold agencies accountable to their action plans and measures their progress to realizing reforms. There are some who warn against setting big goals, because you don't always reach them. But we have found that you can only achieve a goal if you set it – and set it openly.

## **Example of StateStat Impact: Public Safety**

Perhaps the best way to demonstrate our success is to look at a sample of our public safety achievements over the past four years. Together with law enforcement, we have been able to drive down violent crime in Maryland to the lowest rate in our state since 1975. StateStat continues to guide our efforts to dramatically reduce homicides and juvenile homicides – also driving homicides down to the lowest rate in Maryland since 1975. These accomplishments can be credited to the hard work of our public safety agencies and StateStat. Here are some examples of our efforts.

- **Closing the House of Corrections:** We have taken an aggressive approach to public safety by reforming our long-troubled public safety agencies. The very first StateStat meeting resulted in a quick closure of the House of Correction in Jessup, Maryland – at the time our most troubled and violent correctional facility. This action not only eliminated our most violent facility, but it is also saving taxpayers approximately \$3 million per year in overhead and overtime costs.
- **Creating the Violence Prevention Initiative (VPI):** The VPI tracks the most violent offenders who – statistics tell us – have the highest propensity to commit future acts of violence. We found, upon taking office, that some of our worst criminal offenders weren't in prison, but instead were walking the streets under the supervision of our State Division of Parole and Probation. In 2006 and 2007, nearly one in three people arrested in the City of Baltimore were under the state's supervision—including 37% of those arrested for murder. The StateStat team reviewed the homicide arrestee profiles and found that the average age was very young and that most had at least ten previous arrests. The risk assessment tool being used by our Parole and Probation agents to assign the level of supervision to these offenders did not adequately account for either of these factors. Therefore, we have modified our risk assessment tool to allow us to identify these individuals and assign them specialized agents who hold them accountable for absolute compliance with the terms of probation. Agents are required to request violation of probation warrants within one day of the violation, and we track their performance of this duty at StateStat. Today there are more than 2,000 offenders statewide subject to this high level of supervision.
- **Elimination of a Dangerous DNA Backlog:** When we took office we found that our predecessors had allowed a backlog of 24,000 unanalyzed DNA samples to collect dust, and they had neglected to collect an additional 15,000 legally mandated samples. We used StateStat to guide our efforts to eliminate both of these backlogs, and we have since been able to use DNA to make 245 arrests in the past four years.
- **Enhanced Information Sharing Between State Agencies:** One of the most pervasive problems we faced as a State four years ago was our inability to exchange information between State agencies. Many offenders were being supervised in the juvenile system and the adult system with no coordination at all. StateStat convened several joint sessions between the agencies that led to legislative and programmatic reforms. Today, information is shared in real time between the agencies, case management happens in concert, and resources are co-located to help support ongoing violence reduction goals.
- **Enhanced Information Sharing Across Our Borders:** StateStat has allowed us to identify several areas where lack of communication with our neighboring jurisdictions has impeded our ability to make progress. For example, Maryland's Division of Parole and Probation now gets a list of offenders arrested in Washington, D.C. each morning and automatically identifies any parolees or probationers on that list. Our partners in the District of Columbia now do the same with Maryland's list. Since this information sharing effort began in November 2007, we have been able to

hold approximately 200 supervisees per month accountable for their illegal behavior across border lines.

- **Enhanced Information Sharing with Our Partners in Law Enforcement:** Through our Public Safety Dashboard, we are integrating data from our prison system, parole and probation, firearm registries, fingerprints systems, mug shots, DNA, motor vehicle records, taxation records, and other sources. Now, all an officer or official needs is a username and password, and they have access to data in real time. Timely accurate information is shared by more than 100 agencies, and the Dashboard receives between 25,000 to 40,000 queries each day.
- **Safer, More Effective Correctional Institutions:** At Maryland's Department of Public Safety & Correctional Services, we have been able reduce overtime by 20 percent, saving taxpayers \$10 million. Contraband (which includes cell phones, drugs, and weapons) seizures were up 124 percent between fiscal years 2007-2009 and serious assaults on staff were down 50 percent.

### **StateStat: Use of Geographic Information Systems (GIS)**

You may have seen Verizon's ad which says, "there's a map for that." You could summarize our strategy as such – we are geo-mapping everything. From the early days of ComStat, through CitiStat and certainly at StateStat, we have continued to use the map as our central tool for driving, delivering, and demonstrating our work. StateStat employs maps at most every meeting – using geographical references throughout our analysis. In addition to using maps in meetings, we publish our analysis so the public can see our progress and hold us accountable to the reforms we promise. Here are a few examples of public maps supported by StateStat:

- **GreenPrint/AgPrint:** These are applications where we have mapped every parcel and plot of land in our State – and assigned them ecological scores to help us determine how to most effectively and efficiently target dollars for conservation and cleanup – as we seek to protect the green lungs, green liver, green kidneys that our State's ecosystem needs to breathe. <http://www.greenprint.maryland.gov/> and <http://www.agprint.maryland.gov/>
- **Capital Budget Map:** For the first time in our State, StateStat is mapping our Capital Budget, so citizens can see how their government is investing their dollars. <http://www.statestat.maryland.gov/budgetmap.asp>
- **Recovery Tracking:** StateStat has used the map to show how every dollar of the American Recovery and Reinvestment Act is being spent by our State. Our number one-ranked Recovery tracking website has garnered nationwide attention and has been replicated in scores of other States. <http://www.statestat.maryland.gov/recovery.asp>

- **Energy Maryland Map:** Highlights Maryland's leading role and commitment to energy conservation initiatives. <http://mesgis.com/dgsenergymap/>
- **Stream Health Map:** Provides a resource on the health of Maryland's streams and factors that impact that health, and directs users to ways to become actively involved in protecting and restoring Maryland's streams. <http://www.streamhealth.maryland.gov/>

## BayStat

We're using BayStat to guide our efforts to restore the Chesapeake Bay.

Together with you, Mr. Chairman, we've set 2-year milestones and committed to holding ourselves accountable for reaching them. The federal government has adopted a BayStat initiative of its own to drive environmental health in the entire 6-state watershed of the Chesapeake Bay. We are making use of GIS technology and pulling together all of the key stakeholders to better target our collective efforts. For example, recognizing cover crops as the most cost-effective and efficient way for farmers to prevent soil erosion and absorb excess nutrients before they can run into the Chesapeake Bay and its tributaries, we are now targeting our limited resources for cover crops to farms that have the largest runoff impacts on the Bay. Also, for the first time, we are targeting our land acquisition efforts to protect the open space that is most critical to the future health of the Bay and its tributaries. Here are just a few more examples of how BayStat has impacted change:

- **Saving the Blue Crab:** Implemented new management measures through regulation to restore and sustain blue crab resource and fisheries. These measures were coordinated with Virginia and the Potomac River Fisheries Commission. After two years, these measures have resulted in a significant increase in the abundance of blue crabs. This year's estimate of total blue crab abundance is the highest since 1997.
- **25% Increase in Sea Grass Abundance in 2009:** Underwater seagrass abundance in Maryland and Virginia's coastal bays increased by 25 percent in 2009. The increase, from 10,916 acres in 2008 to 13,628 acres in 2009, shows that the bays continue to recover from a dramatic loss in 2005. Seagrasses are a great barometer of the health of the coastal bays.
- **Achieved Record Level of Oyster Plantings:** The University of Maryland Center for Environmental Science (UMCES) Horn Point Laboratory and the non-profit Oyster Recovery Partnership (ORP) produced nearly 750 million oyster spat for Chesapeake Bay restoration in 2009, the most ever grown in one year at the laboratory's Eastern Shore facility. Record production levels and an expanded partnership with the Maryland Department of Natural Resources (DNR) and BayStat have fueled the growth of the State's oyster restoration programs, resulting in the revitalization of nearly 350 acres of oyster reefs, planted on 26 sites across the Bay and its rivers. The 2009 growing season eclipsed the previous record of nearly 600 million oyster spat set in 2008. In addition, Marylanders Grow Oysters has grown from 1 tributary in 2008, to 12 tributaries in 2009 and will expand to 19 tributaries in 2010. More than 1,000 individuals are participating in this program. A total of 5,200 cages are currently deployed and another 2,400 plan to be added in 2010.

- **Planting Trees:** Since the fall of 2008, the State has facilitated – through various programs including its Forest Brigade and Marylanders Plant Trees Initiative– the planting of more than 671,000 trees in Maryland.
- **Reducing Nutrient Pollution:** The Bay Trust fund has been used to implement urban/suburban non-point source projects and agricultural best management practices resulting in an estimated reduction of 366,746 pounds of nitrogen, 35,199 pounds of phosphorus, and 4,538 lbs of sediment. The Bay Trust Fund has been used to implement 238,839 acres of cover crops and support 8 Maryland counties and Baltimore City in their efforts to clean-up local rivers and streams.
- **Increased Resource Conservation Programs on MD Farms:** From 2007-2009, Maryland farmers matched \$24.4M in state grants with approximately \$4M of their own money to install over 6,000 capital and special projects on their farms – annually preventing 6.4 million pounds of nitrogen, 432,000 pounds of phosphorus and 36,000 tons of soil – and daily preventing 5,084 tons of manure from entering waterways.

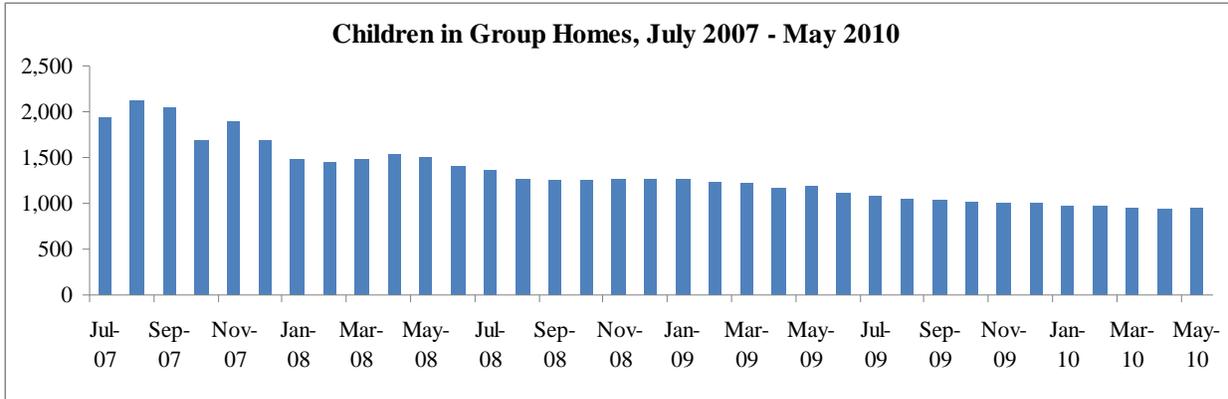
### **Implementing the Recovery Act**

When we received our initial federal Recovery and Reinvestment Act funding, we already had a statewide tracking system in place – StateStat. Thus, it made sense to place in the capable hands of StateStat the dual responsibility of overseeing our state’s use of federal Recovery resources and reporting our Recovery efforts to the federal government. StateStat immediately employed our first-in-the-nation iMap to strategically target our Recovery and Reinvestment Act investments, to rapidly deploy these resources, to ensure we were hitting our goals for Minority Business Enterprise, and to guard against the possibility of waste, fraud, or abuse. We did this with unprecedented openness and transparency – enabled by the internet and visible to every citizen.

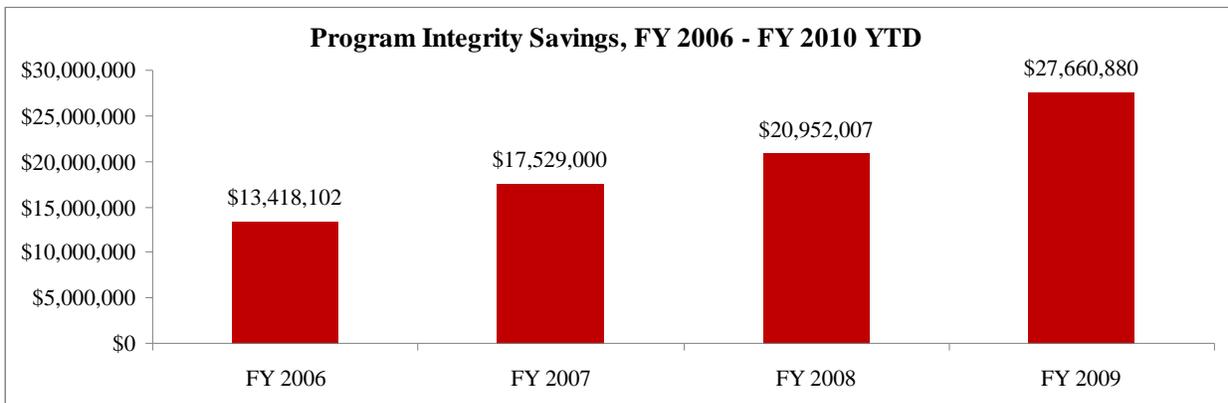
In addition to creating critical transparency tools, StateStat convenes the cabinet and the university system regularly to oversee their implementation of the federal Recovery Act and to provide support to their oversight and reporting of the federal funds. Next month, StateStat will host a regional training for state and local employees from Maryland and our neighboring jurisdictions which will focus on oversight of Recovery Act programs. We will be joined by our federal partners from the Recovery Implementation office, the Recovery Accountability and Transparency Board, the U.S. Government Accountability Office, and the Office of Management and Budget.

As I close, I want to end with a few more examples of graphs moving in the right direction. We have examples of maps going in the wrong direction, but we seem to be running low on time.

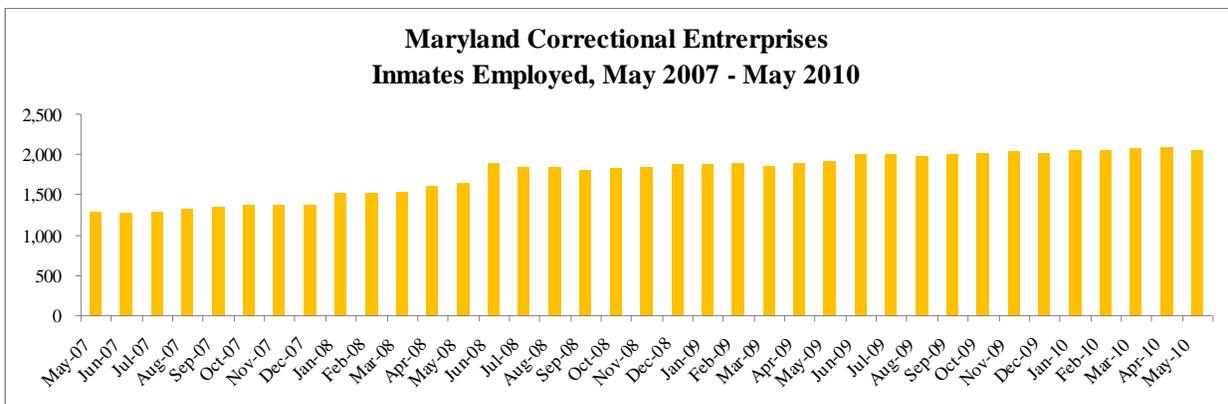
Reducing the number of children placed in group homes,... moving in the right direction;



Cracking down on Medicaid fraud,... moving in the right direction;

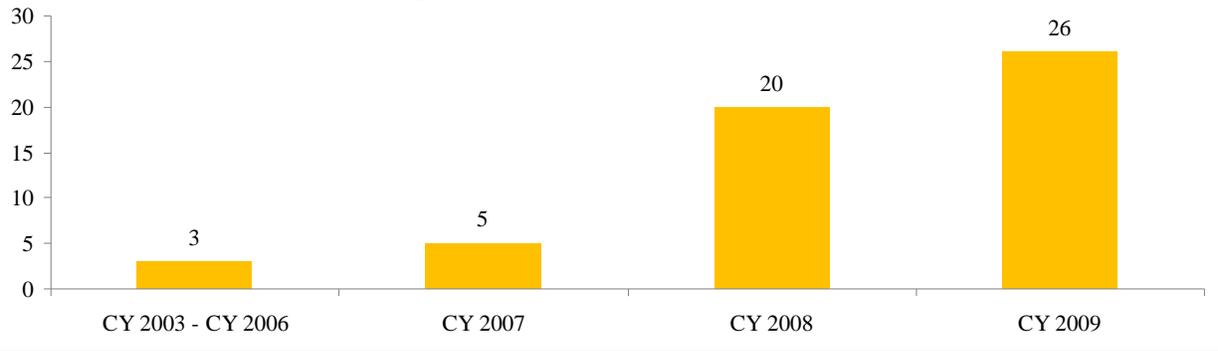


Inmates participating in employment programs,... moving in the right direction;

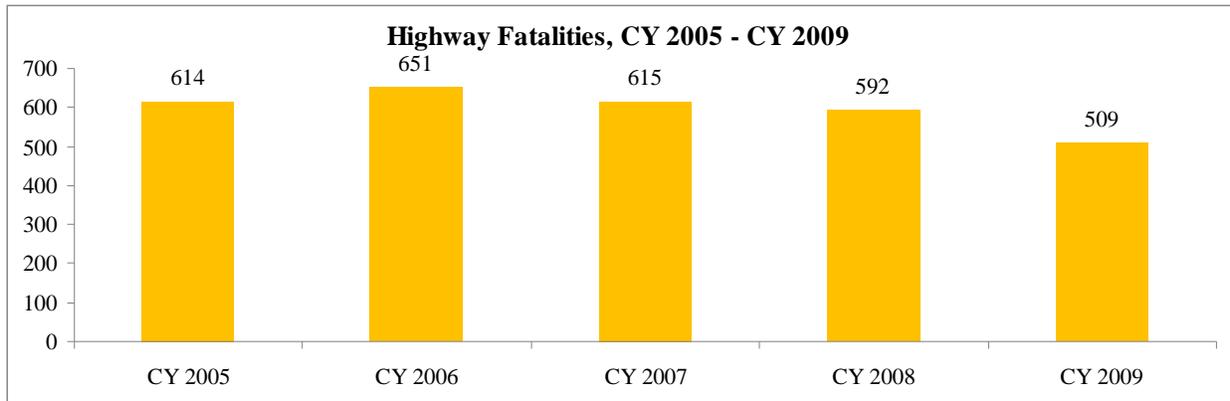


Energy performance contracts,... moving in the right direction;

**New Energy Performance Contracts (EPCs) by Year**



Reducing fatalities on our highways,... moving in the right direction;



Expanding health care coverage to more of our fellow citizens, rather than fewer,... moving in the right direction.

